

## APPENDIX A

### BILLING OFFICIAL INSTRUCTIONS

A-1 **PURPOSE.** To provide billing officials with instructions on the review and approval of items purchased with the U.S. Government Purchase Card. Billing Officials (BOs) will be given a Certification Authority Letter (**Exhibit 1**) after they have received required training provided by DESC-CPB. The billing official will be required to sign the certification letter and a DD Form 577 (signature card) for submission to the appropriate DFAS by the Agency Program Coordinator (APC).

#### A-2 **PURCHASE CARD AUTHORIZATION.**

- a. VISA regulations require the merchants to request authorization if a purchase exceeds \$50.00. If for any reason the merchant fails to obtain this authorization and subsequently the purchase is refused by the issuer, U.S. Bank, the merchant would be liable for the amount of the sale. Approximately 60 percent of all merchants in the United States have a small machine called “point of sale” device that requires a sales clerk to run or swipe the purchase card through the machine so that information is transmitted electronically to the bank for authorization. Many merchants use these machines regardless of the amount of purchase.
- b. Since the U.S. Government, not the individual employee, will pay for the purchases made with the U.S. Government purchase card, additional authorization has been added to these bankcards. When a merchant requests authorization for a purchase, the computer at the bank will check each individual cardholder’s single purchase limit, the 30-day limit, the office limit, and the type of merchant where the cardholder is making a purchase before authorization will be granted for that purchase.

A-3. **THE TYPE OF MERCHANT.** The purchase card may not be used for travel or entertainment. Each merchant is identified as to their type of business by their Standard Industrial Classification (SIC) code. The point of sale device will register the merchant’s SIC code and determine if the cardholder is making a purchase from a previously authorized merchant type.

A-4. **USE OF THE BANKCARD.** The purchase card will be used for U.S. Government purchases only. Each cardholder is provided with training and a standard set of instructions. Any questions related to the purchase card program shall be answered by DESC-CPB Agency Program Coordinator.

A-5. **PAYMENT PROCEDURES.** Monthly processing of the statement of account (SOA) and transaction registers by your cardholder can impact the timeliness of the DFAS payments to US Bank. If the Paying Office is late in making the payment, the interest penalty will be paid with funds from the billing official’s organization. It is the billing official’s responsibility to ensure timely receipt of SOA for review and submission of the Billing Account Statement (BAS). IAW DoD policy if the billing officials account exceeds 60 days without payment, your account will be automatically suspended until payments are received.

#### A-6. STATEMENT PROCEDURES

- a. U.S. Bank will provide each cardholder a statement at the end of the billing cycle. This is called a Statement of Account (SOA) and will contain a listing of all items purchased in the previous 30 days. The BO will receive a Billing Account Statement (BAS) (**Exhibit 2**) computer listing which is a composite statement(s) with a Certification Statement on back. **The BAS must be date stamped when received. A hand written date is not acceptable.**
- b. The cardholder Statement of Account (SOA) should have the signature of both the cardholder and the BO. Cardholders shall forward the signed SOA, back-up paper work (receipts, shipping documents, purchase approval by a BO, etc.), any Cardholder Statement Questioned Item (CSQI) forms and forward these to their billing official. Cardholders are required to forward to the BO, his/her signed statement of account to the BO with each item description completed not later than 1 working day after it has been received. If the cardholder has not received his/her statement from the U.S. Bank 10 days after the billing cycle, they must call the U.S. Bank (number on the back of the purchase card) and request the statement be re-issued.
- c. If, for some reason, the cardholder does not have documentation of a particular transaction to forward with the statement, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name, and why there is no supporting documentation.
- d. If a cardholder departs the organization, is on leave, TDY, etc., the billing official is responsible for ensuring that the statement of account review is completed. Prior to the cardholder's departure, he/she will get with the billing official to go over any purchases and receipts/shipping documents. Cardholders should leave all back-up work and Cardholder Statement of Questioned Item (CSQI) forms with their billing official so purchases can be reviewed and corrections accomplished. Statements of account must be processed even though the billing official or the cardholder(s) is absent. If the billing official and the cardholder are both absent, it is the billing official's responsibility to ensure that the statement is properly processed by the alternate BO.
- e. The BO is responsible for receiving and reviewing all completed statements from all cardholders, resolving any questions that he/she may have on the purchases (you may contact the APC for additional help), signing the SOA, certifying and finally forwarding the Billing Account Statement (BAS). The BO shall ensure the BAS is received by the paying office (DFAS-Columbus) within **15** days of receipt thus avoiding late payment penalties. Prompt return of the BAS could result in your account earning a rebate from the U.S. Bank. **Should the billing official not receive all the statements, it is the billing official's responsibility to contact the respective cardholder(s) and have the statement(s) furnished at once.**

- f. The BO will be appointed as the Certifying Official (CO) and have pecuniary liability. The BO will sign the Certification Statement. The “billing statement” must be signed, dated and certified by the BO/CO. The **original (blue copy)** billing statement and copies of any CSQI Forms will be mailed to DFAS Columbus. ONLY OVERSEAS locations are authorized fax submittals to DFAS Columbus. The original CSQI Forms must also be forwarded to U.S. Bank. DESC-RB **MUST** receive a copy of the cardholder statement and billing official statement. If there are not purchases made during a month DESC-RB must be notified by e-mail.
- g. The BO must return the SOA and back-up paper work to the cardholder for retention. Cardholders will retain copies of the monthly statements, transmittal sheets, logs, and receipts/shipping documents, IAW retention and disposition procedures in the Federal Acquisition Regulation 4.805 (purchase card retention period is 3 years).

#### A-7 **APPROVAL**

- a. The BO will review each cardholder’s SOA purchases to include method used (NIB/NISH procedures for supplies), reviewing merchant type, fund availability and if the purchase was authorized. As a minimum, the BO will review and approve all cardholder’s purchases monthly. However, it is the BO’s discretion if he/she determines that more frequent reviews are necessary.
- b. If, for any reason a purchase has been made without your approval and the validity or need for purchase(s) is questionable, it is your responsibility to talk with the cardholder. If cardholder cannot satisfactorily explain the purchase or if it is determined that the purchase was not for official use, the items will be returned to the supplier and the cardholder must provide you with a credit voucher showing that the item(s) has been returned for credit.
- c. Should the billing official suspect misuse of the purchase card he/she will contact the APC. The APC will assist in resolving suspected misuse and ensure penalties are assessed as necessary.

#### A-8 **DISPUTES.**

- a. If items bought with the purchase card are found to be defective or the repair or services faulty, the cardholder has the responsibility to return the item(s) to the merchant for replacement, or to receive a credit on the purchase. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in dispute.
- b. The cardholder has been provided with copies of the “Cardholder’s Statement of Questioned Items”. Should the cardholder have a dispute, this form will be completed by the cardholder and attached to that month’s “Statement of Account”. The cardholder will forward the original to the U.S. Bank for resolution and forward a copy to DESC-RB. If

the CSQI is not received within 60 days, VISA rules make it impossible for U.S. Bank to process and the Government will either have to pay for the purchase or work with vendor to obtain a credit.

**A-9 CHANGING OF BILLING OFFICIAL**

- a. Upon separation/transfer of a cardholder, the cardholder will surrender his/her card to the billing official for destruction. The billing official will send a memo to the APC(s) requesting cancellation with the bank. If a replacement cardholder is known the BO will so advise the APC.
- b. If a BO departs or transfers, that individual must submit a written request for appointment of a replacement to the APC(s). A training session will be scheduled for the replacement billing official prior to appointment.

**A-10 REQUEST FOR ADDITIONAL PURCHASE CARDS OR CHANGES.** All requests for new cardholders will be by memorandum to DESC-CPB. Changes in single purchase limit or monthly limit must first be submitted through DESC-RM. These changes can be e-mailed to the APC at DESC-CPB. All other change requests can be submitted directly to the APC (s).

**A-11 LOST OR STOLEN CREDIT CARDS.**

- a. When a cardholder loses his/her credit card or has his/her credit card stolen, the cardholder shall notify the U.S. Bank immediately using the 24-hour, 365 day telephone number (1-800-944-6722) to make this report.
- b. The cardholder must also notify the billing official of the lost/stolen card within one work day after discovering the loss.
- c. The billing official shall submit a written report to the Agency Program Coordinator. The report will include:
  - (1) The cardholders purchase card number.
  - (2) The cardholders complete name
  - (3) The date the lost/stolen card was identified.
  - (4) All information on the lost/theft.
  - (5) The location where the loss/theft occurred, if known.
  - (6) Any information on purchase(s) made on the day the purchase card was lost/stolen.
  - (7) Any other relevant information.

- d. U.S. Bank provides the cardholder with a new credit card within 10 working days after the loss/theft is reported.

A-12 **U.S. BANK CUSTOMER SERVICE MAILING ADDRESS.**

I.M.P.A.C. GOVERNMENT CUSTOMER SERVICE  
P.O. BOX 6347  
FARGO, ND 581125-6347  
FAX 701-461-3406